This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 05 KATHMANDU 001329

SIPDIS

E.O. 12958: N/A

TAGS: OPRC PGOV PREL KMDR NP

SUBJECT: WEEKLY NEPAL MEDIA REPORT: JULY 8 - 14, 2003

- STATE FOR NP, AC, STATE FOR IN/R/MR AC, PM
- STATE FOR SA/INS, PM/CBM, PM/PRO
- STATE FOR SA/PPD

#### 11. POLITICAL AFFAIRS

## PEACE TALKS

- -- Government, Maoists hold talks: Members of the negotiating teams of the government and the Maoists held an informal meeting in Kathmandu to create a congenial atmosphere for the third round of the peace talks. However, the talks failed to set a date for the next round of the talks. (Government-owned "Rising Nepal, " E/D, 7/14)
- -- Government formally calls Maoists to resume talks: The government sent (7/13) a formal letter to the Maoist leadership with the proposal for sitting down for formal dialogue as soon as possible. (Media reports, 7/14)
- -- Question mark looms over talks: A question mark suddenly arose over the continuation of peace talks between the Maoists and the government today (7/13) with both the parties making moves and counter moves. In a day of fast paced developments, the Maoists threatened not to sit for the next round of peace talks unless and until the government honored the agreement it had reached with them over deployment of the army in the second round of peace talks held in May, and also freed three top Maoist leaders. The government responded to the Maoists' threat by sending a letter formally inviting them to the third round of talks. But the letter was not written by Prime Minister Surya Bahadur Thapa. Nor was it addressed to the Maoist supremo; it was signed by Information and Communications Minister Kamal Thapa and sent to Maoist talks team leader Dr Baburam Bhattarai. (pro-India "Himalayan Times," E/D, 7/14)
- -- Movement reaches village level: The movement launched by major political parties to make the king less powerful but respectable has reached the village level. (centrist "Deshantar," V/W, 7/13)
- -- Security tightened in mid-west: Security in most of the districts in the mid-western region has been beefed up. This follows an atmosphere of uncertainty, generated by a lull in the resumption of talks between the government and the Maoists. Meanwhile, the local administration has issued a curfew order in Dang district where the Maoists had carried out a massive attack on the army base two-and-a-half years ago. (Media reports, 7/13)
- -- Peace talks vulnerable: "The peace talks process is at a vulnerable point". Despite the four rounds of informal talks, the formal one is still uncertain.. The security wing is now specially alert and vigilant." (centrist "Bimarsha," V/W, 7/11)

  -- The joint movement is a big pain for Nepali Congress. (centrist "Nepalipatra," V/W, 9/11)
- -- UML suspends senior party leader: The fourth central committee meeting of the UML suspended (7/8) party central committee member Radha Krishna Mainali from his position for six months. Mainali was charged of protesting the joint movement launched against regression, and supporting the king's retrogression through his many articles published in the past. (Media reports, 7/9)

# PALACE IN SEARCH OF PRIME MINISTER AGAIN

- -- Girija Prasad Koirala [former Prime Minister and President of Nepali Congress] is set to be the next Prime Minister. Koirala is friendly with the Palace now. The joint movement is in a limbo. (centrist "Naya Kiran," V/W, 7/11)
- -- Girija Prasad Koirala is getting closer to the Palace these days. There has been a new political consensus between the Girija clique and the palace in the initiatives and directions of the Indian power

center. Koirala is now playing a double standard by telling the Maoists that "the movement should be now for the Republic State" and telling the palace that it was he only who could save it from the crisis. (pro-Maoists "Jana Dharana," V/W, 7/10)

- -- The Royal Palace is finally unsatisfied with Prime Minister Thapa as he could not include any other political party in the government. The Palace is now on the lookout for a new Prime Minister. It has eyed on three figures: Speaker of the House Taranath Ranabhat, former Prime Minister Sher Bahadur Deuba and former Speaker of the House Daman Nath Dhungana. (centrist "Ghatana Ra Bichar," V/W, 7/9) 12. MAOIST ACTIVITIES
- -- Maoists confiscate citizenship certificates: Maoist cadres confiscated citizenship certificates distributed by a "Goodwill Team" of the Royal Nepal Army (RNA) in Mugu district in mid July. (centrist "Kathmandu Post," E/D and centrist "Kantipur," V/D, 7/12)
- -- Maoists restrict entry: The Maoists have imposed restriction on entry to 10 remote VDCs of Kavre district, as they declared them as a base area a week ago. ("Kantipur," 9/11)

#### ¶3. NEPAL-U.S.

- -- Nepal Trade Bill could still move in U.S. Senate: A preferential legislation that would allow duty and quota free access to Nepali garments could earn fresh support from Senator Dianne Feinstein, provided authorities in Nepal lend an assurance that they would not deport Tibetan asylum-seekers in future, a spokesperson at Senator Feinstein's office said today. ("The Kathmandu Post," 7/13)
- -- The bill: Industrialists are pressuring the government to request U.S. Senator Dianne Feinstein to reintroduce the customs and quota free bill for Nepali garments that she withdrew in May after 18 Tibetans were deported back to China. "They want a guarantee from us that there will be no deportation in the future," says a senior Foreign Ministry official. "But how can we issue such a guarantee? We have accepted more than 150,000 refugees in the country but if someone arrives here illegally, we will have to deport them." Nepali garment manufacturers say the government is not lobbying enough. (centrist "Nepali Times," E/W, 7/11)
- -- Violence and instability continue to depress U.S. tourism to Nepal: The U.S. in a press release stated that Nepal's violence and instability is having an adverse effect on the number of American tourists visiting Nepal. "Unfortunately, continued political turmoil and violent street demonstrations even after the ceasefire have dampened thus far the expected rebound in U.S. tourism," stated the release. "Threats and violence over the past two years from members of the Communist Party of Nepal (Maoist) have caused a dramatic decline in U.S. and other international visitors. As a direct result of Maoist violence and threats, foreign tourism has declined by more than half since 2000. Instead of the 40,000 Americans, who visited in 2000, only 16,000 U.S. visitors arrived in Nepal in 2002." The statement also cited reports of trekkers being assaulted and robbed at gunpoint in rural areas by Maoists. (Media reports, 7/11)
- -- Royal Nepal Army to be in Iraq: As U.S. soldiers are being decimated because of Iraqi people's resistance, it has asked for a military assistance from Nepal as well. The discussion the Thapa government is holding on this makes it suspicious whether Nepal is longing to deviate from its non-aligned foreign policy. Experts are saying that the sending off the Nepalese army to Iraq would be a mistake and counterproductive. However, top army officials are in consensus to send Nepalese troops to Iraq. The top officials had stressed on sending the troops to Iraq, even if they would be under the American command, when Prime Minister Thapa asked them last week for an advice. Their suggestion was based on two facts: U.S. military assistance to suppress the Maoists and the economic benefits the troops would make in Iraq.

## -- Althou

gh the rulers of some Arab nations are U.S.—supporters, the majority of people are anti-America. If the troops are sent to Iraq, the lives of about half million Nepalis will be unsecured. The U.S. is asking for Nepali troops only because it wants to keep its own troops safe and use the Nepalis as mercenaries. The

Americans want a very low casualty on its troops. If too many Americans die, President Bush will be an unpopular figure. This will have a direct effect on the next presidential elections. (leftist "Jana Aastha," V/W, 7/9)

- -- Troops for Iraq: Pros and cons: The government is reportedly considering the dispatch of an infantry battalion to Iraq to join in the post-war "stabilization force" there, as per a formal request by the United States. Given the grim state of unemployment in the country, aided and abetted by blatant misgovernance for twelve long years, can Nepal really afford to turn a blind eye to the prospect of thousands of valuable jobs in the massive reconstruction efforts that will be beginning very shortly in Iraq? Are there no dangers at all? Of course, there are as in UN peacekeeping operations! For a professional Army that should not, however, be a deterrent. Instead, it should be treated as a valuable opportunity to gain new experience that could stand the nation in good stead in the future. (Op-ed in "The Kathmandu Post, 7/9)
- -- USAID assistance to Nepal: The USAID has agreed to Nepal with grant assistance worth 7.5 million dollars to strengthen the rule of law in the country and initiate anti-corruption measures. The assistance extending over three years will support Nepal's efforts on strengthening the rule of law, enhancing access to justice, and advancing accountability and anti-corruption initiative. (Media reports, 7/9)

## ¶4. BHUTANESE REFUGEES

- -- Involve UNHCR in refugee verification: US envoy: U.S. Ambassador Michael E Malinowski favors UNHCR's involvement in the Bhutanese refugees' verification process. In a letter to "The Kathmandu Post," Malinowski said, "I strongly believe that UNHCR is uniquely qualified to assist in the verification and repatriation of the refugees." The U.S. envoy added that "the UNHCR is widely recognized by the international community as having the expertise needed to ensure that the repatriation and reintegration to Bhutan is conducted in just and humane manner".
- -- He said this while expressing concern at the nature and content of the report prepared by Nepal-Bhutan Joint Verification Team (JVT) which was publicized on June 18 amid much uproar among the Bhutanese refugees in Nepal. The report, which has huge inconsistencies and thus leaves out a large number of Bhutanese refugees as non-Bhutanese, rules out any chances of their repatriation to Bhutan for all practical purposes until their pleas are heard by the Druk authorities. (The Kathmandu Post and others, 7/10. Separate cable sent earlier on this)
- -- Nepal, Bhutan discuss U.S. statement during bilateral meet: A day after the U.S. ambassador to Nepal expressed his dismay over the tardy progress in the repatriation of the Bhutanese refugees from the Khudunabari camp, Nepal and Bhutan discussed the U.S. statement during their bilateral meet, held on the sidelines of the SAARC Standing Committee meeting in Kathmandu on Thursday.
- -- When reminded that the envoy had also issued a veiled criticism of Nepal, Nepal's Foreign Secretary Madhu Raman Acharya said, "I think what they are reiterating...is the concerns of the refugees, which we are also reiterating." Meanwhile, Bhutan's officiating Foreign Secretary S. T. Rabgye declined to make any comment when "The Kathmandu Post" approached him for his reaction to the U.S. statement. "No comments," said Rabgye, although he admitted that he had read the reports in newspapers.

-- The refugee leaders, on the other hand, were upbeat. The president of Bhutan National Democratic Party and

the chief coordinator of the Association of Human Rights Activists-Bhutan (AHURA, Bhutan) welcomed the U.S. concerns.

-- "This is very good news for us," said the president. "This is the first time that the U.S. has expressed such open support for us." He added it was long overdue in the light of the atrocities on the refugees. The coordinator said that with U.S. showing interest in the affairs of the refugees, things could be better for the refugees. There are more than 100 thousand refugees in the UNHCR-run camps in eastern Nepal. ("The Kathmandu Post," 7/11)

-- Bhutanese forum hails Ambassador Malinowski's statement: "A two-day special meeting of the People's

Forum for Human Rights in Bhutan (PFHRB) concluded in Siliguri, India, taking positively the U.S. Ambassador Michael E. Malinowski's recent statement on the joint verification team's report on Bhutanese refugee categorizations. (The Kathmandu Post, 7/14)

## 15. PRESS AND MEDIA

-- Private television channels launched: The Kantipur Television Network (KTN) and the Image Metro Television formally launched their transmissions on July 13. The KTN is the only channel in the private sector to have acquired a license for the terrestrial transmission. The Image TV will broadcast in and around the Kathmandu Valley. The KTN plans to expand its broadcast throughout the nation and outside through satellite uplink. (Media reports, 7/14)

#### ¶6. REGIONAL

- -- Bhutto in Kathmandu: Former Pakistani Prime Minister Benazir Bhutto, who is currently on a private visit to Nepal, today said the main threat to democracy in South Asia lies in periodic dictatorships, "which have shown tendency to give birth to terrorism also." ("The Kathmandu Post," 7/14)
- -- Pakistan accuses India of holding SAARC hostage: Pakistan's Foreign Secretary Riaz H Khokhar rejected (7/11) the Indian charge that his country was the "slowest" member as far as SAARC economic agenda was concerned and pointed out that this could be used as a pretext by India to postpone the forthcoming Summit once again. He also blamed India for not holding bilateral talks while the two countries' foreign secretaries were in Kathmandu. On China's inclusion in

#### STPDTS

the SAARC, the Pakistani foreign secretary said, "We would certainly welcome it" and claimed that "six out of the seven members agree that China should be associated, and if possible, made a member." (Feature article in "The Kathmandu Post, 7/12)

-- SAARC Summit in January: All seven member-countries of the SAARC agreed to hold the postponed 12th Summit in Pakistan on January 4-6, with the preceding meetings beginning at the end of December. (Media reports, 7/11)

## 17. OTHERS

- -- Jurists slam Nepal's judicial set-up: The International Commission of Jurists in a report says that Nepal is perilously close to slipping from a constitutional to an absolute monarchy as the integrity of the Nepalese constitution is under severe strain, with the king having failed to call elections. ("The Himalayan Times," 7/13)
- -- Food shortage hits the eastern region: While the food shortage has been a regular feature of remote far western zone of Karnali, it now has extended to eastern region as well, as five eastern districts including Bhojpur, Khotang, Taplejung, Okhaldhunga and Sankhuwasabha are facing with acute food-crunch recently. ("The Kathmandu Post," 7/13) -- 48 killed, 1,143 families affected: At least 10 people were confirmed dead in separate incidents of landslide and flood in various parts of the country on Thursday. The Home Ministry said (7/10) that 48 people were killed and more than 1,140 families were affected across the country since the onset of the rainy season. ("Kantipur," 7/11)

MALINOWSKI